



# SINGLE STOCK FUND



## New Credit Procedures



# Objective



**Objective:** To provide the student with a basic understanding of Single Stock Fund Credit Policy and Procedures

**Standard:** The student will be able to answer questions relating to Single Stock Fund Credit Policy when asked by the instructor



# Topics



- **Comparison of current and SSF credit policy**
- **Financial Management Changes**



# Army Credit Policy



**Yesterday**

**1 Oct 00**

**Today - Complex Tiered, Credit Process**

**Single Process**

## Wholesale Credit

- **NSN-by-NSN**
- **Changes IAW NAP**

## Retail

- **DA Alternate Credit**
- **Determined by RAC**

- **MACOM Retained Credit**

## AWCF-SMA

- **NSN-by-NSN**
- **LOCKED Annually**
  - **Serviceable**
  - **Unserviceable**
  - **AMI/NAMI**
- **NAMI:**
  - **Serviceable=3%**
  - **Unserviceable=0%, unless FLR**
  - **FLR unserviceable rate (UP - Loaded Repair Costs)**

- **MATCAT**

- **IAW bottoms-up Net Asset Posture**

- **Stable**
- **Predictable**
- **Simple**



# SSF Credit Procedures



## Current Credit Procedures



# USARC Procedures



- **Credit flows to RSC**
- **Need to develop local SOP on tracking credit in ARSIDS**
- **USARC decision to use Eagle Group SARSS reconciliation**
- **All excess flows to Fort Gillem**

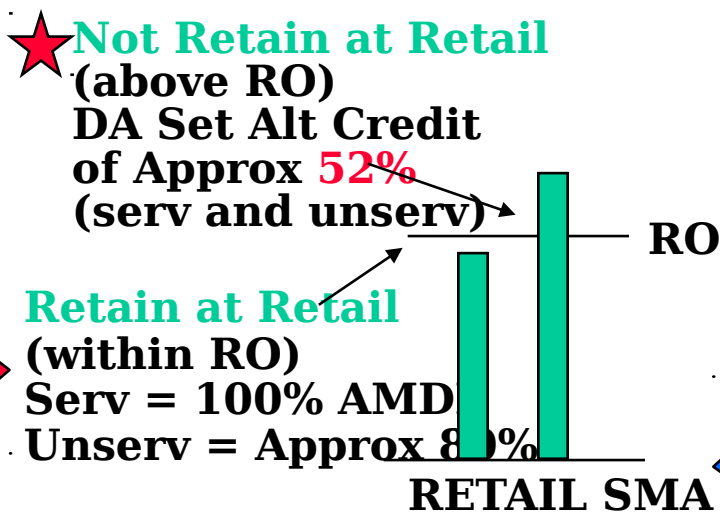


# Pre-SSF Army Credit Policy



## WHOLESALE SMA (ICP)

### RETAIL SMA (DOL)



TURN IN



Serviceables granted credit to  
AAO:

**Credit Given** = AMDF -  
Surcharge



Unserviceables granted  
credit to Retention Li

**Credit Given** =  
AMDF - (surcharge +  
repair + washout)

Above MRL: 0 credit

W/S SMA

CREDIT

TURN IN



O & M  
(UNIT)

CREDIT



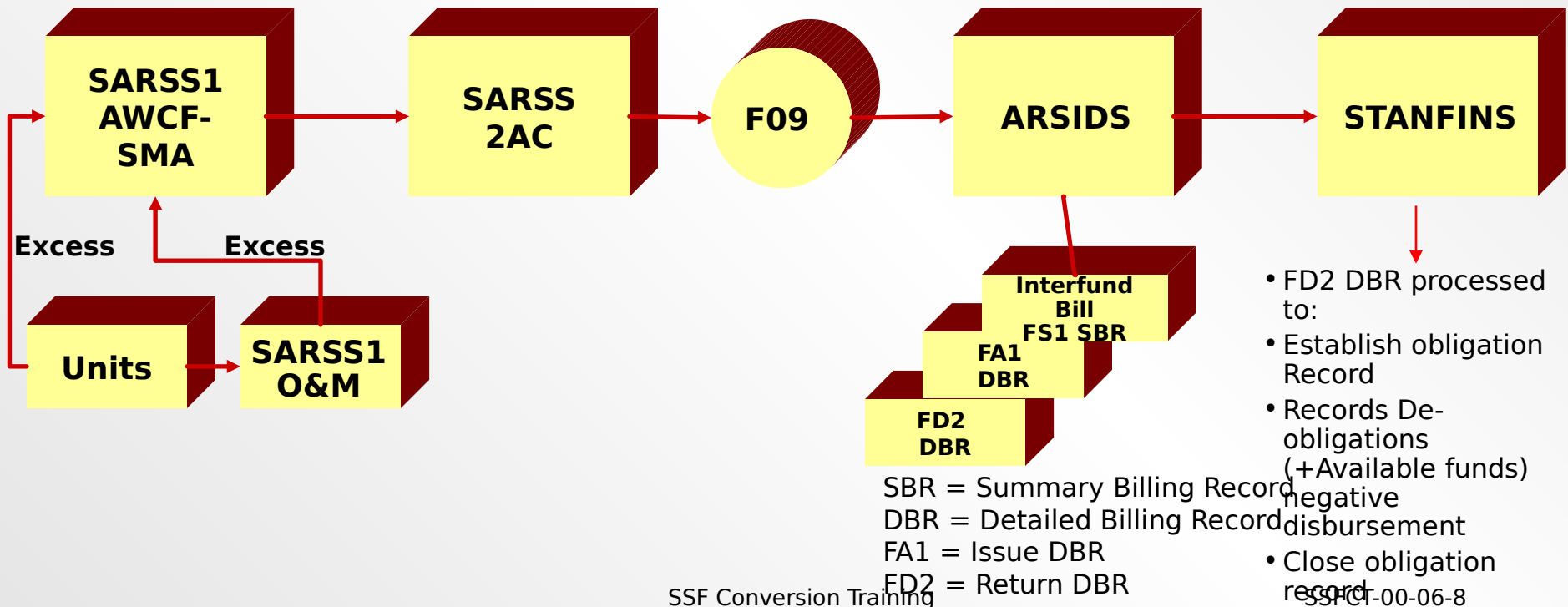
# Consumer Funded Activity to Retail Stock Fund (RSF)



MACOM Credit time is in two parts:

**1. Retail Stock Fund to Consumer**

2. Wholesale to Retail Stock Fund Infuses OA  
(Note: Total time est. 3-30+ days)





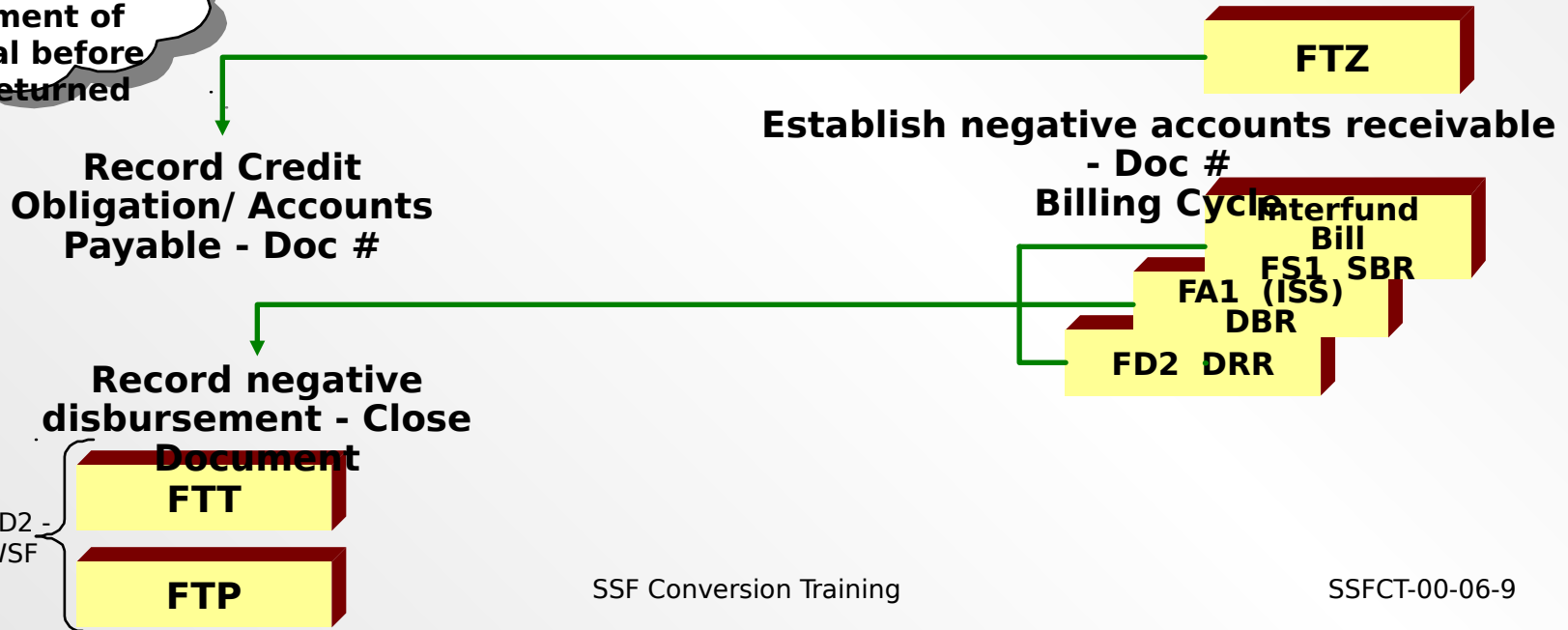


# RSF to Wholesale Stock Fund (WSF)

## 2. Wholesale to Retail Stock Fund - Infuses OA



Physical movement of material before cash returned





# Phasing of Credit Processes



- **Army new credit process 1 Oct 00:**
  - NSN-by-NSN, annualized, stable, predictable
- **Key to the follow-on transition for SARSS installations is transition to the ISB**
- **A transitional “Alternate Credit” process was implemented for activities using STARFIARS-Current**
  - Credit will be rolled to the MATCAT (as it is today) with approximation of NSN-by-NSN values



# Credit Table modifications



- **Once the transition occurs, HQDA will review and adjust for any glaring shortages:**
  - **New NSNs will be considered for inclusion**
  - **Items re-coded as obsolete will receive credit as specified in until the next year's update**
  - **Credit values for items provisioned after the official update will be published in the annual FEDLOG for the following FY**
  - **If a value is not shown, the value will be resolved by contacting AMC's installation representative.**



# Turn-in Supply Actions



- **Materiel receipt transaction (DIC) D6A occurring at the AWCF-SMA point of turn-in that cite RACs 1N/1P/1V /1W /1X/1Z, will be matched on an NSN-by-NSN basis to the credit table.**
- **Condition Codes**
  - **A through E: Serviceable credit**
  - **F and/or G: Unserviceable credit**
  - **All others: No credit**
- **Credit reversal policy is being considered for application under limited conditions**



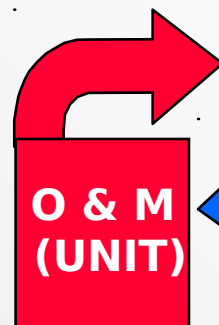
# New Army Credit Policy



## Single Stock Fund Credit

- Needs Based
- NSN by NSN
- Yearly lock in at beginning of year
- Different rate for serviceable and unserviceable

TURN IN



O & M  
(UNIT)

AWCF-SMA

CREDIT

### Army Managed Items (AMI)

Serviceable credit =  
AMDF - Surcharge

Unserviceable credit =  
AMDF - (surcharge +  
repair + washout)

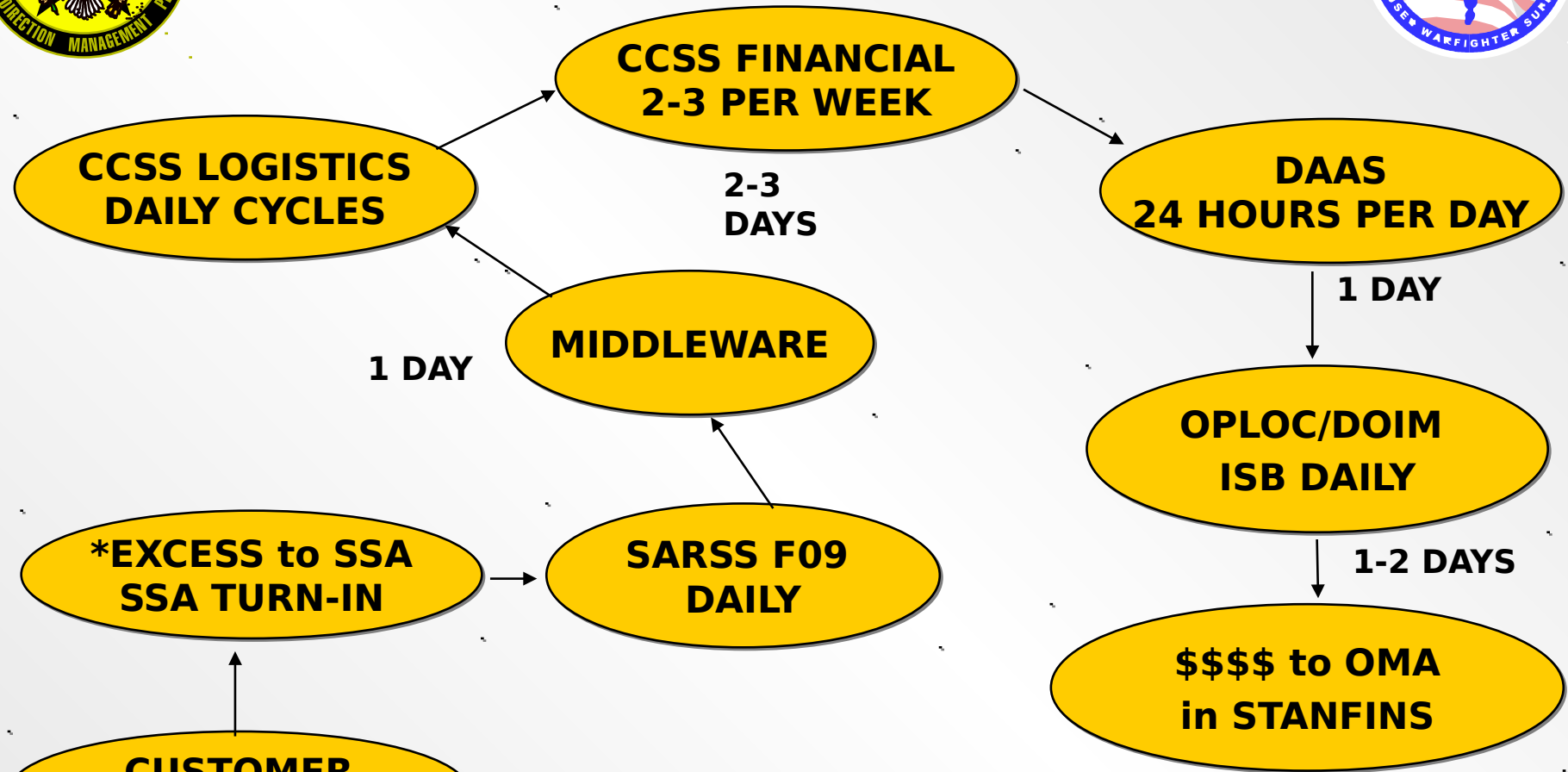
### Non-Army Managed Items (NAMI)

Serviceable credit =  
AMDF  
x 3%

Unserviceable credit =  
0  
(excluding FLR/DLR)



# SSF Credit Process



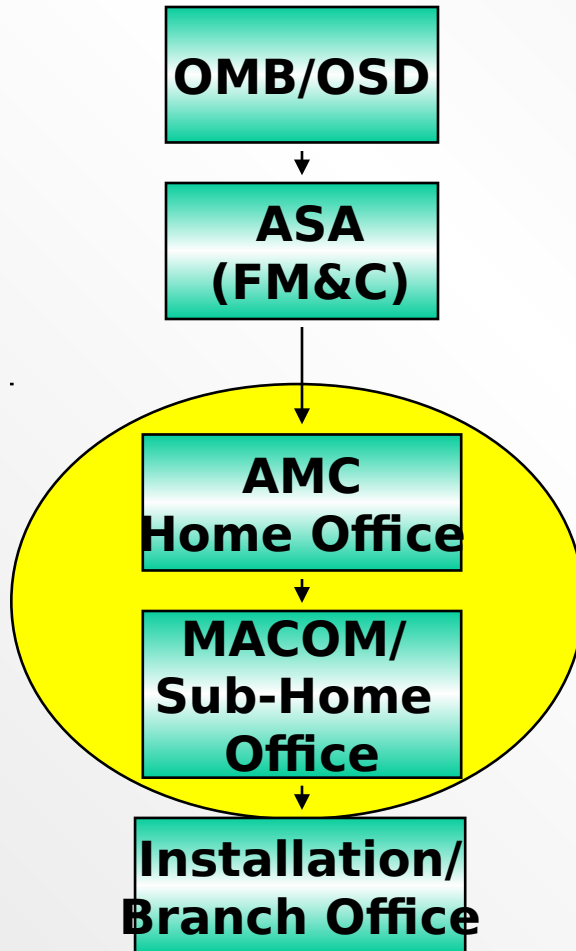
**\*Also TRADOC  
Customer**

**MINIMUM 5 DAYS-MAXIMUM 7 DAYS**  
(under best conditions - no system failures, restores, or month end)

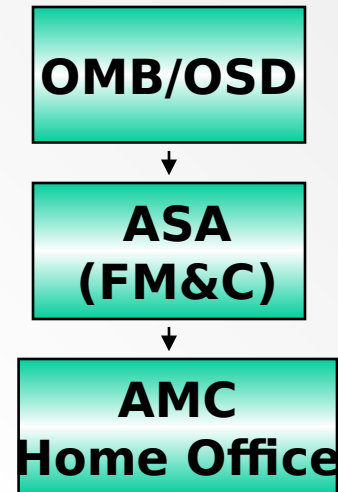


# SMA Management Roles and Responsibilities

**1 Oct 99**



**1 Oct 00**



**MS1&2**



# SSMA Price and Credit Process Policy



- **Being institutionalized to tie price and credit processing to the President's Budget (PB)**
- **Used to update financial data during POM, BES, and PB.**
- **Standard price update designed to obtain LAC plus updated surcharge adjustments to ensure AWCF maintains unit cost goal of "One".**
- **Surcharge is based on total operating costs by commodity managed item divided by the total sales of that commodity's items at LAC**





# Credit Policy Comparison



	Pre SSF	Post SSF
<b>Maintenance</b>	<ul style="list-style-type: none"><li>• Encourages return of serviceable excess &amp; unserviceable items</li><li>• Incentivizes local repair</li></ul>	<ul style="list-style-type: none"><li>• No change</li><li>• Ties incentives for local <u>repair to national need</u></li></ul>
<b>Inventory</b>	<ul style="list-style-type: none"><li>• <u>regardless of national need</u></li><li>• <u>Local need</u> considered</li></ul>	<ul style="list-style-type: none"><li>• Based on <u>national need</u></li><li>• Moving towards RO</li></ul>
<b>Rates</b>	<ul style="list-style-type: none"><li>• Credit granted to the RL</li><li>• <u>Retail set variable</u> retained rate, <u>by MATCAT</u></li><li>• <u>Fixed alternate</u> rate set by DA, <u>by MATCAT annually</u></li><li>• Different rates for serviceable/unserviceable</li><li>• <u>Credit</u> for unserviceable</li></ul>	<ul style="list-style-type: none"><li>• <u>National fixed</u> flat rate, <u>by NSN, set annually</u></li><li>• <u>Fixed national</u> flat rate, <u>by NSN, annually</u></li><li>• No change</li><li>• <u>Zero credit</u> for unserviceable consumables</li></ul>
<b>Funding</b>	<ul style="list-style-type: none"><li>• consumables</li><li>• Linked to OPTEMPO -- Aprx 52% of requirements</li></ul>	<ul style="list-style-type: none"><li>• No change planned</li></ul>



# SSF Credit Policy Summary



## ***Based on Requirements***

- **Streamlines credit process**
- **Extremely simple to understand**
- **Yearly stabilized rates**
- **Smart business practice**
- **Financially supportable**
- **Maintains SMA solvency**
- **Does not repair to excess**
- **Supports NMM**
- **ICW supply policy**



# Summary



- **Changes in Army Credit policy to reflect NIIN based credit**
- **Single Credit Process to reduce duplication of effort in dual tiered supply system**